



Paul Kotnik
Delphi Medical Systems Corp
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September 1, 2005

PROPOSAL FOR CONSULTING SERVICES

The following is a proposal for the consulting services for the development of a medical ultrasonic nebulizer for Delphi Medical Systems Corp (Delphi). This will involve on-site work with the client; off-site design, modeling, and coordination of other outside resources; and travel. The specific steps in the process are provided in the Draft Statement of Work from Delphi.

Dr. Mark Schafer will be used as the primary consulting resource. He will contribute to the design phase, the planning of experiments, the review of experimental data, and modeling (whether by Sonic Tech, Inc. or by other, e.g. ONDA). This proposal is an estimate of time required for steps 1, 2, 5, and 9. The estimate for Phase B1 will be determined by the discussions at the kickoff meeting and the detailed review of the results from ONDA. The time for the steps above are estimated at three days (24 hours) of on-site effort (independent of travel time, as noted below).

Travel time will be billed as one hour of consulting time for every two hours of travel time. Travel time shall be comprised of "door to door" travel time, whether to the Delphi location or to a local hotel, and the return time. Standby time, such as waiting time at hotel, evening hours, etc., is not billable. All direct travel costs (airfare, hotel, car rental, and parking) shall be reimbursable upon submission of bona fide copies of receipts.

This proposal is valid for 60 days from the date of issue. Acceptance of the proposal will be determined upon receipt of a purchase order to Sonic Tech, Inc. for at least twenty four hours of Dr. Schafer's time (24 hours at \$145/hour). These initial time estimates are for the purpose of establishing a Purchase Order, and do not include travel time or costs, which depend upon factors (airfare, hotel costs) which cannot be reasonably estimated at this time.

Respectfully submitted:



Mark E. Schafer, Ph.D.
President, Sonic Tech, Inc.